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Starting a New Business in Missouri

the basics

developing a business plan

legal formation

taxes

hiring employees

financing your business

resources



Starting A New Business in Missouri

A Joint Project of:



Missouri Business Assistance Center

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INTRODUCTION

Determining the requirements to start a new business can be confusing and time consuming because so many agencies regulate various aspects to business operations.

Designed to be an easy to use reference on starting a new business, this handbook outlines the basic requirements for starting a business in the state of Missouri. No matter what type of business you are starting, there are basic requirements that all businesses must comply with. In addition, we cover some of the essential planning steps that should be taken before starting your business.

Don't underestimate the importance of planning. While successful businesses have started with minimal planning and no formal business/marketing plan, the truly successful businesses have a plan and know their market, their customers and have a good understanding of the financial requirements of their business.

If you have questions or require additional information, assistance is available from the Missouri Department of Economic Development's Missouri Business Assistance Center (MBAC), University Outreach and Extension offices located in each county or the Missouri Small Business Development Centers throughout the state. Refer to the Resources section of this booklet, beginning on page 40, for contact information.

ACKNOWLEDGEMENTS

The information for this booklet was compiled in cooperation with the University of Missouri Outreach and Extension, Missouri Department of Revenue, Secretary of State's Office and the Small Business Development Centers. The U.S. Small Business Administration and the Internal Revenue Service also provided important reference and research information.

CONVENTIONS

This book uses the following conventions:



A **tip** offers advice.



A **note** presents interesting information related to the discussion or an important resource.



A **caution** alerts you to an important requirement or critical information; provides advice on how to avoid problems.

ASSISTANCE FOR DEAF, BLIND AND SPEECH IMPAIRED

Assistance for the deaf, blind and speech impaired is available through RELAY MISSOURI at 1-800-735-2466 (voice) or 1-800-735-2966 (TT).

Copies of this publication are made available on audiotape for the visually impaired. Please contact the Wolfner Library for the Blind and Physically Handicapped (573/751-8720 or 1-800-392-2614) for ordering information.

DISCLAIMER

This publication is intended to serve as a reference document and in no way attempts to provide all of the information necessary to start a business in Missouri. It is published with the understanding that the publisher is not engaged in rendering legal, accounting or other professional services. The advice of an attorney and/or accountant should be sought before entering into any business activity or contract.

THE BASICS

Owning and operating a small business can be a tremendously fulfilling and rewarding way of life, but it is not always an easy one. No one considering it should make the decision lightly. A great deal of thought and research should go into making a decision that will affect you and your family for a long time to come.

Consider that:

- The failure rate for new start-up businesses is high.
- If you need financing, you will be expected to provide 20% or more of the total funds.
- Small business owners spend an average of 12 hours a day, 6 days a week on business activities.
- To obtain a business loan you will be expected to personally guarantee repayment.
- It is normal for small businesses not to earn a profit in the first two years.
- The number one reason that small businesses fail is because they did not have enough working capital to survive the first two years of operation.
- Grants to start a for-profit business enterprise are virtually non-existent. Even not-for-profit businesses can expect intense competition for funding.

Have you realistically considered both the advantages and disadvantages of owning and operating your own business? If not, the time to do so is before, not after, you have committed yourself. Good management is key to a successful business. Three crucial areas are:

Marketing strategies - This means knowing what kind of product or service to sell, how to target and reach your customers, and how to sell your product or service at a price that maximizes your profits.

Technical ability - You must be able to get the work done and done correctly to have satisfied customers. If you are going into the auto repair business, for example, you better know a lot about how to keep cars running right, or you will not be in business very long.

Financial knowledge - While you do not necessarily have to be a financial wizard, you do need to know how to plan and control your business' cash flow; raise or borrow the money you will need to start your business; and get through tight periods without being caught short of cash. A certain amount of financial sophistication is becoming more and more important in today's increasingly complex financial world, even for the small business owner.

If you are seriously deficient in one or more of these areas, the odds of your business becoming one of the few that succeed are greatly reduced.

CHECKLIST FOR STARTING A NEW BUSINESS

As you proceed through the process of starting your business, use the following checklist as a guide to make sure that you have covered all the requirements for starting your business.

FIRST 30 DAYS

- ☐ Prepare a written **business plan**, including a marketing plan.
- ☐ **Estimate your start-up costs**
- ☐ Select an **attorney and accountant**
- ☐ Obtain **local business licenses** through the city or county government.
- ☐ Check on local **zoning** ordinances, regulations, building permits and fire codes through the city or county government.
- ☐ Determine whether your business requires a **state or federal license or permit** to operate. Also check on state or federal regulations that may affect your business.
- ☐ Select a **banking institution** and open a business account.
- ☐ Select your **business fiscal year**.
- ☐ **Determine the legal structure** of your business (sole proprietorship,

partnership, limited partnership, limited liability company, or corporation) and file necessary forms and paperwork with the Secretary of State's Office. Check on the availability of a business name by calling 573/751-3317.

- ☐ You will need to apply for a **sales tax number** or **use tax** if you will be selling merchandise at retail or wholesale.
- ☐ You may need a **Federal Identification Number** (EIN).

If hiring employees:

- ☐ Determine the wage and hour laws from the state and federal government;
 - ☐ Obtain report to determine liability status (unemployment tax) with the state;
 - ☐ Check the requirements on Worker's Compensation Insurance with the state;
 - ☐ Have each employee complete an I-9 form (Employment Eligibility Verification).
-
- ☐ Contact a good **insurance** agent regarding fire, accident, liability, theft, and other types of commercial insurance.
 - ☐ Find out how **OSHA** laws affect your business.
-
- ☐ Corporations hold an organizational meeting:
 - By-laws are adopted
 - Board of Directors is elected
 - Share certificates that have been purchased are distributed and recorded on the corporation's stock ledger
 - Record minutes of the meeting
 - Elect corporate members, managers and/or officers
 - ☐ An LLC holds an organization meeting:
 - Operating agreement is adopted
 - Membership certificates are distributed

- Record minutes of the meeting
- Company members and/or managers are elected

FIRST 60 DAYS

- ☐ Obtain **business insurance**
- ☐ Join a **professional association or organization** (e.g. Chamber of Commerce)
- ☐ You may need to make quarterly estimated **income tax** payments to the IRS and self-employment tax payments.
- ☐ If forming an S Corporation, file Form #2553 with the IRS within 75 days.

BY END OF FIRST YEAR

- ☐ File **annual tax** information for state and federal government.
- ☐ **Keep a good set of records for all business activities.**

PROFESSIONAL SERVICES

It is always advisable to enlist the services of an accountant and a lawyer when considering a new business operation. Their advice and guidance can help you choose the form of business organization best suited for your particular situation.

Lawyer

Your lawyer should be experienced in business matters. Ask your banker to recommend a law firm or individual lawyer. Ask other successful business owners who they use. Be sure to discuss fees in the initial interview, and ask if he/she represents businesses similar to yours. A reputable lawyer will welcome an open discussion on both subjects. Do not feel obligated to hire the first lawyer with whom you discuss your business plan. Find one with whom you are comfortable and you feel you can trust.

Another way to find a competent attorney is through the Missouri Lawyer Referral Service operated by the Missouri Bar Association. Their attorneys will confer with you for up to 30 minutes for a fee of \$25. The telephone numbers are:

Kansas City: 816/221-9472 (Clay, Jackson, Platte and Ray counties)

St. Louis City/County: 314/621-6681

Jefferson City: 573/636-3635 (out-state Missouri)

Springfield: 417/831-2783 (Greene County only)

Accountant

Although an accountant is not mandatory for starting a new business, it is highly recommended that one be consulted. Again, seek recommendations from your lawyer, banker and other business associates. Don't feel obligated to hire the first accountant that you interview.

For assistance in locating an accountant, contact the Missouri Society of Accountants, 6132 Blue Ridge Blvd., Raytown, Missouri 64133; 1-800-959-4276.

RECORD KEEPING

Every business, no matter what size, must keep written records of the transactions that take place. In addition to avoiding costly errors, good records tell if your business is making a profit or losing money, provides accurate tax information, and the information needed to see if and where improvements can be made. These records will be required by your financial institutions and local, state and federal government agencies, as well as for your own information. The IRS allows you to choose the method of record keeping that is best suited to your business circumstances.

Once your record keeping system is set up, record all transactions promptly. It is also a good idea to establish a definite time each week/month to pay bills, reconcile the bank statement, and do other tasks. "Accounting" does not necessarily mean "keeping books". What you really need is some organized method to track all of the business activity

generated by each trans-actions and will provide the reports and information required by taxing and regulatory authorities.

Sound accounting practices can mean more profits. The record keeping system need not be elaborate – too many records can be as ineffective as too few. The system used should accomplish the following:

1. Maintain a record of all business transactions through:
 - a. a daily (or periodic) summary of cash receipts;
 - b. a disbursement journal;
 - c. a business checkbook;
 - d. employee compensation record (including withholding, Social Security, and other taxes);
 - e. a general ledger (a summary of all subsidiary ledgers, including cash receipts, disbursements and other transactions);
 - f. asset register (including depreciation when applicable), which should also include accounts receivable, accounts payable and an inventory system.
2. Reflect periodic operating results and financial condition in a manner understandable by management.
3. Protect the assets of the business from errors, fraud and carelessness.
4. Provide a basis for business planning by showing the results of past decisions and facts needed for future decisions.

The system also must be designed to generate information that is periodically required by taxing and other regulatory authorities.

There are numerous computer software programs on the market as well as accounting forms and systems. Many trade associations offer



standard accounting systems for member businesses.

University Outreach and Extension and Small Business

Development Centers offer classes on record keeping.

If you wish, you can consult an accountant for assistance in setting up an accounting system, or hire one to do your books for you. If you need

assistance in locating an accountant, you can contact: Missouri Society of Accountants at 1-800-959-4276.

CHECKLIST FOR GOOD RECORDS

✓ **Open a business checking account.** Don't use your personal checking account for your business. The cost of another account is minimal compared to the confusion of business matters in your personal account.

✓ **Pay all bills by check.** On each check note what was purchased with that check. This is your record of having paid bills and enables analysis of expenditures.

✓ **Use petty cash sparingly.** Only when absolutely necessary should you make payments from petty cash and then be sure you have a receipt including the purpose of each expenditure. Then write a check to petty cash to keep the checkbook complete.

✓ **Record all sales.** Use sales tickets, duplicate receipts, copies of invoices, cash register tape, or some other system that itemizes each sale. This enables analysis of sales and provides a record of who has paid or not paid.

✓ **Endorse all checks immediately.** Endorse checks "for deposit only" to your business bank account.

✓ **Deposit receipts often.** Don't keep cash or checks around your place of business. They invite theft, can get lost, and the money should be put to work for you immediately.

✓ **Label bank deposit slips completely.** They provide a good record of sources of income and back up sales records.

✓ **Balance bank account monthly.** Do it when the statement comes from the bank.

✓ **Inventory all items regularly.** Count all items in inventory and include the purchase cost of each item. Absolutely, take inventory once a year. A good business practice is to take inventory twice a year and better practice is quarterly inventory.

DEVELOPING A BUSINESS PLAN

The first and most important thing anyone should do is to prepare a detailed business plan. Chances of succeeding without one are slim. The business plan describes the business as well as its product or service, market, staffing and financing needs. A well prepared business plan serves several purposes:

- For the new business, it helps the owner determine the feasibility and desirability of pursuing the steps necessary to start a business.
- For the company seeking financing, it is an important sales tool for raising capital from outside investors.
- For an existing company, the business plan forms the basis of a more detailed operational plan and thus becomes an important management tool for monitoring the growth of the firm and charting future directions.

A business plan is the written expression of your business idea. It is obviously important to anyone thinking of starting a business, but is also useful for those already in business. The process of writing down everything involved in bringing the idea to reality requires dealing with all the varied aspects of that business. It forces you to take an objective look at the entire idea and should permit you to see areas that need re-thinking. The plan will help you sort through things logically and should result in a sound, usable plan with which to work.

Worksheet #1, Start-up Costs, provides a simple method to assist in estimating start-up costs. Estimating start-up costs and projecting cash flow and income is a critical component of the business plan. Start-up costs are the one-time expenses necessary to start your business, such as equipment expected to last a long time.

Before your business can earn money, you will need to invest in its start-up costs. These do not include its operating expenses.

Here's a format to estimate your start-up costs: List the costs of items you have already purchased in the "purchased" column and those you still need in the "needed" column.

WORKSHEET 1: START-UP COSTS

Capital Requirements	Purchased:	Needed:
Organization expenses (legal & accounting)	\$	\$
Truck & Vehicle	\$	\$
Tools & Supplies	\$	\$
Furniture & fixtures	\$	\$
Machines & Equipment	\$	\$
Building improvements	\$	\$
Land & Buildings	\$	\$
Starting inventory	\$	\$
Cash (Working Capital)	\$	\$
Other (including living expenses during start-up)	\$	\$
TOTALS:	\$	\$

A formal business plan consists of the following:

1. **Name of Firm**
2. **Owner or Owner-to-be**
3. **Information on the Business**
 - A. Type of Business and Product or Service
 - B. History
 - C. Office/Plant
 - D. Personnel
 - E. Economic/Accounting
 - F. Inventory, Supplies, Suppliers, and Equipment
 - G. Legal
 - H. Future Plans
4. **Market Analysis**
 - A. Customers (market)
 - B. Environment
 - C. Competition
 - D. Competitive Advantages and Disadvantages
 - E. Projections
5. **Market Strategy**
 - A. Sales Strategy
 - B. Promoting Strategy
6. **Management**
7. **Financial**
 - A. Source and Uses of Funds
 - B. Financial statements (e.g., balance sheet, income statement, cash flow, etc.)

Worksheet #2, Sales and Earnings (see page 14), provides a simple method to project your earnings over the first three years of operation. For your business plan you will need to show the sales and earnings for the first year by month and quarterly for the second and third year. Projections beyond three years are generally not considered useful or reliable.

There are numerous variations on the business plan format and no one “right” way to prepare the document. The important thing is to make sure that all of the basic information is present and accurate.



It may take several years before your business begins to generate satisfactory profits. To plan appropriately, you should forecast annual sales and earnings (see Worksheet #2, page 14) for the first couple of years of operation. Do not include start-up costs in your projections.

In the last few years a number of commercial software packages have been developed that can assist you in putting together your business plan. It is important, however, to *make sure that you do the work*, understand the information in the document, and that you avoid the appearance of a “cookie cutter” business plan.

THE MARKETING PLAN

The example shown above includes market analysis as part of the business plan. Some consultants recommend that a separate “Marketing Plan” be prepared. The key element of the marketing plan, whether included in your business plan or as a separate document, is to know your customers – their likes, dislikes, buying habits, location, expectations, etc. By identifying these factors, you can develop a marketing strategy that will allow you to capture and maintain market share.

A marketing plan helps answer the following questions:

1. Who are your customers? Define your target market(s).
2. Are your markets growing? Steady? Declining?
3. Is your market share growing? Steady? Declining?
4. If a franchise, how is your market segmented?
5. Are your markets large enough to expand?
6. How will you attract, hold, increase your market share?
How will you promote your sales?
7. What pricing strategy have you devised?

For more information on writing a business or marketing plan, contact your local University Outreach and Extension Office or Missouri Small Business Development Center. Or call MBAC (1-888-751-2863) to obtain a copy of *Guide to Writing a Business Plan*.

WORKSHEET 2: SALES AND EARNINGS

	1 st Year	2 nd Year	3 rd Year
Gross Sales:	\$	\$	\$
Less returns, allowances & discounts:	\$	\$	\$
Net Sales:	\$	\$	\$
Less cost of goods sold:	\$	\$	\$
Gross Profit:	\$	\$	\$
Less Operating Expenses:	\$	\$	\$
Rent	\$	\$	\$
Payroll	\$	\$	\$
Payroll (other)	\$	\$	\$
Telephone	\$	\$	\$
Utilities	\$	\$	\$
Interest & Amortization	\$	\$	\$
Postage	\$	\$	\$
Advertising	\$	\$	\$
Travel	\$	\$	\$
Vehicle Expenses	\$	\$	\$
Taxes (payroll)	\$	\$	\$
Taxes (other)	\$	\$	\$
Supplies	\$	\$	\$
Attorney/Accounting fees	\$	\$	\$
Insurance	\$	\$	\$
Repairs	\$	\$	\$
Other expenses	\$	\$	\$
Total Operating Expenses	\$	\$	\$
NET PROFIT BEFORE TAXES	\$	\$	\$

LEGAL FORMATION

Missouri law allows businesses to operate under four forms or organization:

- sole proprietorship
- partnership
- corporation
- limited liability company

Each structure has its own advantages and disadvantages and there are many modifications and variations within these forms; but, the key to selection revolves around the concept of liability and taxation. The entrepreneur, the founder of the business, must decide which of these four structures best suits the type of business. In choosing your business structure, consult with both a qualified accountant and attorney who are familiar with your resources and objectives.

While it is possible for a business to start under one structure and change to another later, proper planning can prevent the difficulties, expenses and operational problems which would result from such a change. Even when considerable thought and planning have been given to the initial structure, however, the entrepreneur should be aware that change of circumstances and conditions may require a change in structure even after the business is established and operational.

A description of the forms of organization and some of the advantages and disadvantages are discussed in the chart found on pages 18 and 19.

THE FOUR TYPES OF BUSINESS STRUCTURES

To obtain the necessary forms to register your business, contact the Missouri Business Assistance Center at 1-888-751-2863 or visit www.missouridevelopment.org/mbac to obtain information and download forms.

Sole Proprietorship

The most common form of business structure is a sole proprietorship. This is a business owned by a single individual.

The primary advantage of a sole proprietorship is that no planning for structure is required and the individual owner is free to operate as she or he chooses.

Some disadvantages of sole proprietorship are the limited opportunity for expansion and the owner's personal responsibility for all obligations, debts and other liabilities the business may incur. While insurance is available for protection from these hazards, the cost may be prohibitive. Growth of a sole proprietorship will usually result in a change from this structure.

Partnership

A partnership is the joining of one or more individuals, corporations or other entities under a partnership agreement. The law does not recognize the partnership as a separate distinct entity; rather, it considers the partnership to be all of the partners acting together.

All powers, liabilities and authorities of the partners are controlled and limited by the partnership agreement. However, it is possible for a partner to exceed his or her authority and for the partnership to be bound when the person with whom the partner does business is not aware of the limitations contained in the partnership agreement. Partnership agreements are in writing and, if there are limitations placed upon individual partners, such agreements should be made available to any person or company with whom the partnership does business.

There are three types of partnerships recognized under the law: general partnerships, limited partnerships and limited liability partnerships.

Missouri, as most states, legislates the formation of general partnerships. Missouri has adopted the Uniform Partnership Law – the standard in many states. Since the uniform law is not identical in every state, notice should

always be made of the unique aspects of the law within each state in which the partnership is conducting business.

The advantages of a general partnership are that partners may conduct any legal business and the income and expenses of the partnership are directly taxable to each individual partner based on his or her proportionate interest within the partnership. The partnership files an information tax return and pays no income tax itself.

The laws of the various states, including Missouri, permit the formation of a partnership in which the liability of most of the partners is limited. Limited partnerships must have at least one general partner who is responsible for all debts, liabilities and other obligations of the partnership.

As a general rule, the liability of the other partners, referred to as limited partners, is limited to the amount that each partner has invested or agreed to invest in the partnership. A limited partner should not take an active role in the business. By taking an active role, a limited partner risks becoming a general partner.

The advantage of a limited partnership over a general partnership is that most of the partners limit their liability while preserving the right to participate in profits and/or tax advantages.

A general partnership can become a Registered Limited Liability Partnership (RLLP) by filing the required certificates, annually, with the Secretary of State. The only difference between a general partnership and an RLLP has to do with the liability exposure of the partners.

While limited partnerships lost some of their usefulness under the Tax Reform Act of 1985 and the adoption of the Limited Liability Company (LLC) law in 1993, they still remain a viable structure for certain types of businesses.

FORMS OF BUSINESS STRUCTURE

	SOLE PROPRIETORSHIP	PARTNERSHIP / REGISTERED LIMITED LIABILITY PARTNERSHIP	LIMITED LIABILITY COMPANY (LLC)	S CORPORATION	C CORPORATION
Legal Liability	Unlimited	Unlimited for general partnership, limited for RLLP	Limited, same as RLLP or corporation	Limited	Limited
Continuity of the Entity	Limited to life of proprietor	Limited, unless provided for in partnership contract	Dissolve date	Perpetual Life	Perpetual Life
Acquisition of Capital	Limited to only what the proprietor can secure	Generally limited to what partners collectively can raise	Generally limited to what members collectively can raise	Maximum of 75 stockholders, but capital generally not raised by selling stock	Unlimited number of stockholders, but capital generally not raised by selling stock
Transfer of Interest	Easy because all assets owned by individual proprietor	Right to distributions easy to transfer; interest in assets and right to management cannot be transferred without consent of other partners	Economic rights are transferable, management rights transferable with consent of other members	Stock easy to transfer unless restricted by agreement, by articles of incorporation or by being statutory close corporation	Stock easy to transfer unless restricted by agreement, by articles of incorporation or by being statutory close corporation
Management	All management decisions by proprietor	Usually all general partners will be actively involved in management activities	Usually managed by members, but can have separate managers with duties as outlined by the operating agreement	Managed by directors, who are elected by shareholders unless statutory close corporation has chosen to eliminate directors	Managed by directors, who are elected by shareholders unless statutory close corporation has chosen to eliminate directors.
Taxation of Income and Expenses	All income and expenses reported on proprietor's individual tax return	Divided among partners in accordance with investment or partnership agreement and reported on partners' individual returns	Divided among members in accordance with investment or operating agreement and reported on members' individual returns	Passed directly through to the shareholders according to the amount of stock held. Generally no income tax paid by corporation	Taxed separately at the corporate level, again at the shareholder level if distributed as a dividend
Liquidation of Entity	At the discretion of the proprietor, treated as sale of individual assets	Required upon withdrawal of a partner unless partnership agreement permits business continuation	Same as partnership	Normally a two-thirds vote of shareholders is required	Normally a two-thirds vote of shareholders is required
Major Advantages	Independence, flexibility, minimum of legal requirements	Additional management input and operational responsibilities shared, additional capital and equity available, flexibility, shared overhead means increased profits, limited liability with RLLP	Same as partnership plus limited liability without having to file annual document, can be treated as any business form for income tax purposes	Limited liability, profits taxed once, direct pass through of income and expenses to shareholder	Limited liability, can offer fringe benefits to owners and deduct them for income tax purposes
Major Disadvantages	Unlimited liability, limited life, limited management ability, limited investment potential	Unlimited liability unless RLLP, annual renewal filing to keep RLLP, limited life, relations among partners can cause problems, changes of partners or partnership agreement may be difficult	Relations among members can cause problems, changes of members or operating agreement may be difficult	Not every corporation can qualify, cannot deduct fringe benefits for owners or their families, relations among shareholders or directors can cause problems	Difficult to get assets out or to sell business without double tax, relations among shareholders or directors can cause problems

Corporation

Before considering the advantages and disadvantages of a corporation as a business structure, it is important to understand the concept. A corporation is a legally created entity with rights, duties, powers and responsibilities in and of itself. Each state has a section of law covering those aspects of corporations. The law is similar in each state, but not identical.

Check with the Secretary of State's Name Availability Desk (573-751-3317) to determine if the business name you have selected is available.

A corporation cannot act except through individuals. When individuals perform on behalf of a corporation, the actions are usually attributable to the corporation and not to the individual. The ownership of property, the incurrence of debt, and the performance of services and sales of goods are the responsibility of the corporation rather than the individuals in the corporation.

Shareholders contribute capital to the company and are the owners of the corporation. Shareholders are not responsible for the debts or liabilities of the corporation.

One advantage of the corporate structure is that shareholder liability is limited to the loss of the shareholder's investment unless a shareholder accepts additional responsibility such as guaranteeing a loan to the company. Limitation of liability was the original reason for the creation of the corporate entity and it is still a basic consideration in the formation of any new business using the corporate structure.

An additional advantage of corporations is the ability to bring other individuals into ownership of the business to raise additional funds. There are few disadvantages to using the corporate form in setting up a business. Some minor costs are incurred for incorporating and for annual filing fees within states in which the corporation is doing business.

Both state and federal governments recognize the existence of a corporation and levy an income tax against the corporation. However, a corporation may elect to be taxed as an individual.

Corporations are subject to the following requirements:

- File articles of incorporation;
- Adopt a set of bylaws;
- Observe other corporate formalities on a regular basis such as the election of directors by shareholders and appointment of officers by action of the board;
- File Form SS-4 with the IRS to obtain an Employer Identification Number (EIN), even if there are no employees;
- File the required state and federal estimated tax, quarterly;
- File federal income tax on Form 1120, or Form 1120-S for an Subchapter S Corporation, and state income tax on Form 1120 or 1120-S;
- File an annual report and pay annual fee to continue corporation with the Secretary of State's Office.

General Business Corporations

While there are four types of corporations, entrepreneurs will most probably use the general business corporation. The most common form of corporation, the general business corporation, is also known as a for profit corporation.

A general business corporation may engage in most activities except those which are specifically prohibited by law. It may not engage in business for which a license is required, such as the practice of law or medicine. A general business corporation may pursue other businesses such as banking, insurance or financing if state approval is obtained.

Subchapter S Corporation provides the legal protection of a corporation, but for tax purposes, the income or loss is passed on to the shareholders in proportion to their ownership. It is important to note that to be recognized

as a Subchapter S Corporation, the corporation must apply to the Internal Revenue Service (IRS) for “S Status” – request form 2553 – within 75 days or the formation of the corporation.

A corporation can elect “S” status if it meets the following requirements:

1. It must be a domestic corporation.
2. It must have only one class of stock.
3. It must not have more than 75 shareholders.
4. It has a calendar tax year or a business purpose for adopting a fiscal year.
5. It must have only individuals and their estates and certain trusts as shareholders.
6. All shareholders must be citizens or residents of the U.S.
7. It must not be a member of an affiliated group of corporations.

Close Corporation: Missouri law allows for the creation of close corporations (sometimes referred to as “C corps”). Missouri’s law is based on the Model Business Corporation Act. Missouri’s Close Corporation Law is designed to make it easier for one or a few persons to do business as a corporation. Under this law, a close corporation can choose not to have a board of directors, annual meetings or bylaws if so stated in the article of incorporation. (See Section 351.315 of Missouri Statutes for more information).

A regular business corporation may become a statutory close corporation if it has fifty or fewer shareholders and amends its articles, with a 2/3 vote, to state that it is a statutory close corporation.

Not-For-Profit Corporations

The main distinction between a not-for-profit corporation and a general business corporation is that a not-for-profit corporation has members who receive certificates of membership rather than shares. The profits and properties of the corporation do not belong to the members. A not-for-profit corporation may pay reasonable compensation to its employees and may make a profit, which means that it has more income than expenses.

Hospitals are good examples of not-for-profit corporations. To qualify as a not-for-profit corporation, the company must have an ultimate purpose, specified by law, such as a charitable, educational, civic, religious, or cultural purpose.

Many not-for-profit corporations are tax exempt. However, merely forming a not-for-profit corporation under Missouri state law does not guarantee that the state or federal government will treat the organization as tax exempt. Separate qualifications are required for tax-exempt status.

Professional Corporations

Professional corporations are formed for the single purpose of practicing one of the licensed professions such as law, medicine, engineering or architecture. The key feature of this type of corporation is that all of the stock must be owned by individuals licensed to practice the profession for which the corporation was formed. Although this type of corporate structure has limited application, it should be considered where appropriate.

Professional corporations register with Secretary of State using the same standard corporation form, striking out “General” and writing/typing in “Professional.” All licensed professions need to obtain a copy of Form #76 from the Secretary of State’s Office and submit the form to the Division of Professional Registration for completion of licensure information. The completed form must be attached to their corporation forms. Contact the Secretary of State’s office at 573/751-3317 or MBAC for a copy of the form.

Limited Liability Companies (LLC)

In 1993, Missouri enacted a statute creating a new form of business entity, the limited liability company (LLC). An LLC is not a corporation, partnership or trust, but has corporate-like liability protection for the owners and partnership-like flexibility in capital and management structure. Members of the company can be actively involved in the management of the business, but they are shielded from liabilities.

Limited liability companies are relatively easy to organize and maintain. In Missouri, a limited liability company can conduct any business activity. Business owners use this type of organization because it can combine the liability protection of corporations with the flexibility and tax advantages of partnerships.

A variety of different business owners are choosing to organize their businesses as limited liability companies. This type of business organization is especially attractive to family businesses or other businesses where retention of control and restrictions on transfer of ownership interests are important. Professional firms are also being organized as limited liability companies, as are real estate ventures and other businesses.

Any person may form a limited liability company by signing and filing Articles of Organization with the Secretary of State's office. LLC's are also required by state law to have an "operating agreement" (plan on how you will operate your business). Limited liability companies must be properly structured and maintained for their members to be taxed as if they were a partnership or a corporation.

FICTITIOUS NAME REGISTRATION



Missouri law requires any person (as opposed to an LLC or corporation) who regularly transacts business in the state, under a name other than his/her own "true name," to register that business name with the Secretary of State's Office under a Fictitious Name Registration. For a sole proprietorship or partnership, a business name is generally considered "fictitious" unless it contains the full name (first and last name) of the owner or all of the general partners and does not suggest the existence of additional owners. Use of a name which includes words like "company," "associates," "brothers," or "sons," will suggest additional owners and will make it necessary for the business to file and publish the fictitious business name on company letterhead, business cards, in advertising, or on its product.

SALES TAX NUMBER



Any business making retail sales must obtain a Missouri Retail Sales License from the Missouri Department of Revenue. A bond, based on projected monthly gross sales, must be posted at the time of application. An application form (Form #2643) to register for sales tax can be obtained from the Missouri Department of Revenue or from our office. Generally, a wholesaler or manufacturer will present a Sales/Use Tax Exemption Certificate (Form #149) to the seller showing the sale is exempt from sales tax.

TAX CONSIDERATIONS

Tax considerations are essential during the formation of a new business and during its entire life. When a business is just starting out, it may have little or no income or assets, and the choice of structure may not seriously affect its tax liability. However, as the business grows, the tax implications become more significant.

Choosing a particular structure does not necessarily determine how the business will be taxed. While a corporation can elect to be taxed as an individual, there are strict limitations placed upon such an election. Since the income of a sole proprietorship is taxed directly to the individual proprietor, sole proprietors should keep open the option of incorporation, which would change the tax impact on the business.

The following table indicates the state and federal forms that must be filed for different business structures and compares the tax liabilities for the most common business structures.

Corporate taxation allows choices, and time must be taken to understand these choices. Obtaining professional tax advice is highly recommended.

The most complicated tax structurally is that of a partnership and professional advice is required for the structuring of a partnership to take fullest advantage of the opportunities available under the tax laws.

Limited Liability Company			Corporation	
Sole Proprietor	Partnership	Corporation	C-Corp	S-Corp
File Schedule C on your 1040 (State and Federal)	File 1065 (State and Federal); tax based on percentage of ownership; LLC must issue each partner a K-1 for their personal income taxes	File 1120S (State and Federal) AND Federal 2553 "Flow Through Tax" (this differentiates the LLC from a corporation). Tax is based on percentage of ownership. LLC must annually provide each investor with a K-1 form to file with their personal taxes.	No flow through tax (e.g., the corporation pays income tax on its earnings). If shareholder draws from corporate earnings, the shareholder pays income tax on the amount through their personal income tax. File "Closed Corporation" form for taxes. Owner can be an employee of the corporation and paid a salary and benefits.	File as a general corporation to become a Subchapter S Corporation, which is a federal designation for flow through tax (form 1120S), must file 2553 form with US Internal Revenue Service. If form is not filed, the corporation is considered a general corporation.
No annual meeting, no by-laws, no annual reporting, no annual renewal fee, no stockholders. Must have operating agreement, but does not need to be in writing.	Same as sole proprietor	Same as sole proprietor	Can, through by-laws, exempt the organization from having a board. Can elect to not have by-laws. Must hold annual meeting. Annual renewal fee of \$45 and annual reporting to SOS. If these are not done, the corporation ceases to exist.	Must have annual meetings; annual report; board of directors; and stockholders meeting. Annual renewal fee of \$45 and annual reporting to SOS. If these are not done, the corporation ceases to exist.

PURCHASE OF EXISTING BUSINESS



Before you purchase an existing business, be sure that you obtain a "Certificate of No Tax Due" (issued by the Missouri Department of Revenue) from the previous owner of the business. Without this document, you may also be purchasing existing sales tax and/or withholding tax obligations.

To prevent this problem, obtain a "Certificate of No Tax Due" from the seller BEFORE you purchase the business. If you have any questions concerning Successorship, please call 573/751-9268, or write the Missouri Department of Revenue, Collections and Taxpayer Services Bureau, P.O. Box 3666, Jefferson City, MO 65105-3666.

EMPLOYER IDENTIFICATION NUMBER (EIN)

Every employer maintaining an office or transacting any business in Missouri and making payment of wages to a resident or nonresident individual must obtain a Missouri Employer Tax Identification Number, which is required by federal law if you are an employer, partnership or corporation. Some entities, such as financial institutions, also require a business to have an identification number. The application form (SS-4) is available from the Internal Revenue Service (IRS) or from our office.

OCCUPATIONAL LICENSES

The state of Missouri licenses or certifies a variety of professions, occupations and activities. If you are uncertain about licensure requirements for your business, you can check the list found on our website at www.missouridevelopment.org/mbac or by calling our office.

STATE LICENSE AND PERMIT REQUIREMENTS

The Missouri Business Assistance Center (MBAC) maintains a database that includes information on all of the state-level licenses, fees, permits and requirements related to business operations in Missouri. The database tracks the data by SIC (Standard



Industrial Classification) codes. This code allows MBAC to produce a listing based on the type of business activity. The database currently contains information on over 300 licenses, permits and other requirements. The information ranges from the standard business requirements of sales tax numbers and vehicle licensure to more obscure requirements. Data is collected from all state agencies. For more information and assistance, please contact the Missouri Business Assistance Center at 1-888-751-2863 or e-mail at: mbac@mail.state.mo.us.

LOCAL LICENSES AND PERMITS



Contact with local (county, city, township) government agencies early in the planning stages of your business is very important. This contact will provide you with information that is essential to your business operation.

Most cities, and some counties, require businesses to be licensed. Check with the city and county clerk for the requirements in your community and county. For a listing of County Clerks, refer to page 46.

Local Zoning Regulations

Be sure to check with the local city and/or county planning/zoning department to make sure that the site you have selected for your business is zoned to accommodate the activities of your business. This is especially true if you plan to operate your business from your home.

FRANCHISES

A franchise is a license from the owner of a trademark or service mark permitting another to sell a product or service under that distinctive mark. Put another way, a franchise is an arrangement where a firm (franchisor) that has developed a pattern or formula for the conduct of a particular kind of business, extends to other firms (franchisees) the right to engage in the business, provided they follow an established pattern. In return, the franchisor undertakes to assist the franchisee through advertising, promotion

and other advisory functions. As a general rule, the owner of the trademark or service mark has an obligation to the general public to monitor and control the quality of the product or service that is being marketed.

The federal government and the state of Missouri, through the Secretary of State's office, provides for protection of trademarks and service marks through registration.

PROTECTION OF INTELLECTUAL PROPERTY

Intellectual property includes patents, trademarks, copyrights and trade secrets. Some or all of these may be the primary assets of a business.

Patents

Under well-known antitrust principles, a business cannot obtain a monopoly by actions that keep out competition. However, if a business creates a new product, and the product meets certain tests, that creative contribution can be covered by a patent. A patent grants a monopoly for a period of seventeen (17) years with respect to newly created products. As a result, the incentive to invent is rewarded. The monopoly granted takes nothing from what already existed and is of limited duration. Upon expiration of the patent the invention becomes public property.

Trademark and Service Mark

A trademark identifies the source or origin of products or goods being marketed, whereas a service mark identifies the source or origin of a service. Words, symbols, logos and slogans are commonly used as trademarks or service marks and, if the marks are used in commerce, they may be registrable on the Federal Register.

Since a trademark or service mark must identify source or origin, it cannot resemble another mark to the extent that confusion as to source or origin would be likely. If a proposed mark is generic or merely descriptive of the goods or service, it is not capable of identifying source or origin and cannot function as a trademark or service mark.

Contrary to popular belief, the registration of a trademark or service mark does not create the mark. Ownership originates by virtue of use of the mark. Consequently, the date of first use of a mark can be crucial, and any business adopting a new mark would be well advised to incorporate the mark promptly in a correct manner of trademark or service mark usage.

In the case of a trademark, the creation results from using the mark on or in connection with the sale of the goods. For a service mark, use can be on or in connection with the sale or advertising of the services. Under U.S. law such use is required before the mark can be registered. Accordingly, the first rights in a trademark or a service mark are necessarily common law rights acquired by virtue of use of the mark.

For more information on patents, trademarks and service marks, please consult with a patent attorney or other qualified individuals. The SBDC at Warrensburg offers assistance with patents and trademarks; for more information on their services call 660/543-4402. You can also contact the U.S. Patent and Trademark Office at 703/308-4357 for information.

TAXES

FEDERAL TAXES

FICA

The Federal Insurance Contributions Act provides for a federal system of old age, survivors, disability and hospital insurance (Medicare). The old age, survivors and disability portion is financed by the Social Security Tax, while the hospital insurance portion is financed by the Medicare tax.

Self-Employment Tax

You must pay Self-Employment Tax if:

1. You were self-employed and your net earnings from self-employment (excluding any church employee income) were \$400 or more; or

2. You performed services for a church as an employee and received income of \$108.28 or more. However, if you are a member of the clergy or a religious worker, you may not have to pay Self-Employment Tax.

You are self-employed if you carry on a trade or business as a sole proprietor, an independent contractor, a member of a partnership, LLC, or are otherwise in business for yourself. You do not have to carry on regular full-time business activities to be self-employed. Part-time work, including work you do on the side in addition to your regular job, may also be self-employment.

The Self-Employment Tax rules apply even if you are fully insured under social security or have started receiving benefits.

For a copy of Publication #533, Self-Employment Tax, call the IRS at 1-800-829-3676.

Corporate Estimating Tax

A corporation must file with the state a Declaration of Estimated Tax (MO Dept. of Revenue form MO-1120ES) and a Federal Estimated Tax (IRS form #1040ES).

Excise Tax

The federal Government imposes excise taxes on various types of business activities. Some excise taxes are on the production or sale of certain goods, while others are on services or the use of certain products or facilities. Still others are imposed on specific types of businesses.

For further information on excise taxes and other federal taxes, obtain IRS Publication #334, Tax Guide for Small Businesses and IRS Publication #510, Excise Taxes.

STATE TAXES

Corporate Income Tax

State law sets the corporate income tax rate at 6.25 percent of Missouri taxable income. In addition, Missouri allows 50 percent of federal income tax liability to be deducted before computing taxable income. Using this deduction, a corporation with federal taxable income of \$1,000,000 and a federal tax liability of \$340,000 would have a Missouri effective tax rate of only 5.2 percent.

Sole Proprietorship/Partnership/S Corporation

All net business income is taxable to the sole proprietorship or to the partnership/S Corporation according to each partner or shareholder's share of ownership. Your personal income tax rate depends on your level of total personal income. On your federal return you may be able to deduct from your gross income some personal expenses that are directly related to your business.

Withholding Tax

Every employer maintaining an office or transacting any business in Missouri and making payment of wages to a resident or nonresident individual must obtain a Missouri Employer Tax Identification Number. State tax is then withheld from the employees payroll and remitted to the Missouri Department of Revenue. For more information contact: Tax Administration Bureau, P.O. Box 999, Jefferson City, MO 65108-0999; phone: 573/751-5752.

RETAIL SALES TAX

Any person or company that has a business location in Missouri from which they sell or lease goods to a final consumer is required to collect and remit Missouri sales tax. Also, any company that leases motor vehicles (including boats, trailers, and outboard motors) is required to collect and remit Missouri sales tax. If the lease period is 60 days or less, the sales tax is based on the address of the lessor. If the lease period is over

60 days, the sales tax is based on the address of the lessee. It is the business' responsibility to ensure that sales tax is collected at the correct tax rate. You must have a Missouri Retail Sales License prior to making sales. Conducting retail sales without a valid Missouri Retail Sales License may result in a penalty of up to \$500 for the first day and \$100 for each subsequent day, not to exceed \$10,000, in addition to any other penalties or interest that may be imposed. For the first twenty days this penalty does not apply to persons opening a business in the state of Missouri for the first time.

A bond must accompany the application for the license. The amount of the bond is based on your estimated monthly gross sales. Complete information on the various types of bonds is included in the Missouri Tax Registration Application (MO Dept. Revenue form 2643).

A table of sales tax rates for Missouri counties and cities can be found at: <http://dor.state.mo.us/tax/business/sales/salestbl.htm>.

VENDOR'S USE TAX

Out-of-state businesses making sales of goods to the final consumer located in Missouri, may be required to collect and remit Missouri vendor's use tax. They must obtain a Missouri Use Tax License and post a bond.

Out-of-state businesses that lease goods to Missouri customers from an out-of-state business location are required to collect and remit Missouri vendor's use tax. They also must obtain a Missouri Use Tax License and post a bond.

CONSUMER'S USE TAX

If your business is located in Missouri and is purchasing goods from an out-of-state vendor for consumption, when Missouri tax was not collected at the time of purchase, you are required to remit Missouri Consumers Use Tax. You must register for the payment of Use Tax; however, no bond is required. For more information, call 573/751-2836 or 1-800-877-6881.

UNEMPLOYMENT INSURANCE

Most companies doing business in Missouri are required to pay unemployment insurance to protect their workers during unemployment. This applies to most businesses having one or more workers on the payroll for 20 weeks during the calendar year, and to businesses paying an individual employee \$1,500 in a given quarter.

WORKER'S COMPENSATION

All businesses with five or more employees (except agricultural or domestic labor) must provide worker's compensation insurance to protect their workers in case of job-related injury, illness or death. Construction companies, regardless of the number of employees, must provide worker's compensation insurance. Companies can offer this protection through a private insurance carrier or they can become self-insurers. Premium rates vary, depending on the risks associated with special occupations. As in most states, the premium rates apply to an employee's total annual salary. The maximum weekly benefit for temporary total disability, temporary partial disability, permanent total disability and death is currently computed as 105 percent of the average weekly wage, determined annually on July 1st. Missouri's worker's compensation rates compare favorably with those in other states. Though benefits for claimants in other states usually increase automatically from year to year, in Missouri benefits cannot be increased without the review and approval of the state legislature.



TAX RECORDS RETENTION

New business owners frequently have questions about the records they must keep for tax purposes. The following list includes the most common documents you should keep.

All businesses should retain items 1 through 6. If you are operating a business that makes retail sales, you should also keep items 7 through 10.

1. Copies of Federal Income Tax returns (retain at least three to five years).
2. Sales journals and/or receipts journals (retain at least five years).
3. Purchase journals and/or check registers (retain at least five years).
4. General ledgers (retain at least five years).
5. Detailed depreciation schedules (retained until items are fully depreciated, or at least five years, whichever is longer). Note: The depreciation schedule should show detail as to where the item was purchased. It is also suggested that all purchase invoices listed on the depreciation schedule be filed separately rather than with the other expense purchases.
6. Copies of paid bills for goods and services (retain at least five years).
7. Copies of Letters of Exemption to support claims for exemption regarding sales to tax exempt entities. You should be aware of the expiration date on each letter of exemption.
8. Copies of the checks from tax exempt entities to prove that payment for the tangible personal property or taxable service was made from funds of the tax exempt entity and not by an individual member of the tax exempt entity.
9. Updated and fully completed resale exemption certificates. (Resale exemption certificates must be signed by an owner or officer and must be updated every five years.)
10. Copies of the sales and use tax returns and backup documents used to prepare these returns (these should be retained at least five years).

The following payroll records should be retained for at least three years in the event of a withholding tax audit:

1. Copies of W-2 forms
2. Monthly payroll records showing the actual Missouri withholding
3. Copies of the MO941 reports

The nature of your business may require that you keep additional records. Please use these lists as a general guide, but consult with your tax practitioner for advice about your specific needs.

HIRING EMPLOYEES

Before you actually hire, it is recommended that you consult with your accountant or with an employer service representative at your local Workforce Development Office or One Stop Career Center. Call 573/751-4091 or visit www.ecodev.state.mo.us/wfd/ for the location near you. This office can help you understand your rights and responsibilities as an employer and can assist you with locating employees .



You will also want to obtain a “Business Tax Kit” and a copy of “Circular E, Employer’s Tax Guide” from your local IRS office or call 1-800-829-3676. “Circular E” explains federal tax withholding and Social Security tax requirements for employers as well as containing up-to-date withholding tables for you to use to determine how much federal income tax and Social Security tax is to be withheld from each employee’s paycheck.

TIPS ON HIRING

What Is Involved?

- Once you begin paying salary or wages to employees, you must collect taxes from your employees. The primary taxes are: federal and state income taxes, Social Security (FICA) and Medicare taxes.
- If you have not already done so, you must apply for a federal employer identification number (EIN) – Form SS-4. This number is used to identify your business on payroll and income tax returns, as well as for other federal tax purposes. Corporations and partnerships must file Form SS-4 even if they have no employees.
- Have each employee complete an I-9 Employment Eligibility Verification Form and a W-4 form.
- Missouri require that all employers in Missouri report each newly hired employee to the Department of Revenue within 20 calendar days of hire.

For more information on your responsibilities as an employer, please contact our office or your local Workforce Development (formerly Job Service) office.

ASSISTANCE TO EMPLOYERS

The Missouri Division of Workforce Development offers employment services and other assistance to employers and employees. The network of “one-stop career centers” offices provides a complete labor exchange that includes a computerized Job Bank, applicant recruitment, selection and referral, labor market information, latest placement methods, testing and other assisted serves. Missouri WORKS! (www.works.state.mo.us) provides the latest information pertaining to employment opportunities in Missouri as well as information on labor, employment, education/training, labor market information, and other programs and services related to employment and training. Contact your local Workforce Development Office or One Stop Career Center for more information.

FINANCING YOUR BUSINESS

Funding for a business usually comes in two forms: debt and equity. Debt is obtained from borrowing and must be repaid from cash flow. Equity is contributed by owners or investors and is not repaid from operations. Retail and service businesses are difficult to finance. Funding for these enterprises is usually used for working capital, inventory and fixtures. These forms of collateral, in most instances, do not meet the lender’s resale recovery criteria. As such, retail and service operations are often 100 percent equity financed.

Most traditional lenders prefer manufacturing or industrial operations where funds will be used to purchase fixed assets, like land, buildings or production equipment. These items offer the type of collateral used to secure the debt.

Most financial institutions are looking for a well-prepared business plan from the applicant when requesting financial assistance. Along with a business plan, your particular lending institution may have a special form or application that they require for new business loans. If an application is not necessary, be prepared to present a very thorough record. Be honest, show your commitment and willingness to meet their requests.

Keep in mind that the number of small business failures is high, causing the bank to show skepticism and consider risk. You must display ability to manage financially and be ready to show a positive record both for yourself and your proposal.

PRIVATE SOURCES

Your local bank should be the first place you approach for your business financing needs. Many banks have loan departments that deal specifically with small business and many banks are beginning to offer special services to small business owners. It is also important to remember that many alternative financing programs require a letter denial or partial funding from a bank before they will consider your application

GRANTS

Contrary to popular belief, grants of cash for business are virtually nonexistent. There are rare instances where a cash grant has been given for some highly specialized type of business or for some unusual situation, but for the great majority of business situations, there are no cash grants.

There are many government grants designed to assist business, but these usually don't go directly to the business. Instead, they go to agencies and organizations that perform some service for business or benefit business in some way. For example, grants are made to local communities to help with sewer and water infrastructure.

Most grants given by government agencies are to local government agencies to address issues such as sewers, water distribution systems, infrastructure improvements, and for schools/education. Grants given by private foundations are to fund not-for-profit agencies to perform specific activities that are aligned with the mission and goals of the foundation. The books and late-night television infomercials that tout government grants for business are usually exercises in cleverly misleading entrepreneurship. Read the fine print carefully and "buyer beware."

STATE SOURCES

Recognizing the important impact that small businesses have on Missouri's economy, the State of Missouri, through a variety of agencies, has developed programs that provide financing options to small businesses. For more information on State financing and incentive programs, call 573/751-0717 or visit The Finance Network website at: www.missouridevelopment.org/cd/finance.

FEDERAL SOURCES

Businesses that are locating or expanding in Missouri may take advantage of a number of federal programs designed to promote economic development. These programs are intended to assist entrepreneurs, financial institutions and local communities with direct loans, loan guarantees and direct grants to spur job-creating business investments.

The Small Business Administration (SBA) helps new or growing businesses meet their financial needs; provides business counseling; and acts as an advocate for small businesses with state, federal, and private agencies.

SBA defines a small business as one which is independently owned and operated and is not dominant in its field. To be eligible for SBA loans and other assistance, a business must meet size standards based on total employment or annual receipts. This standard varies by industry.

The financial assistance offered by SBA has helped thousands of small businesses get started, expand and prosper. The Regular Small Business Loan program is the largest SBA assistance package. Through loan guarantees, SBA can help small businesses acquire equipment, facilities, materials and supplies, working capital, commercial real estate and, in some cases, refinancing.

For more information on the following SBA programs, contact:

Small Business Administration
Lucas Place
323 West 8th Street, Ste. 501
Kansas City, Missouri 64105-1512
Phone: (816) 374-6701

Small Business Administration
815 Olive St., Room 242
St. Louis, Missouri 63101
Phone: (314) 539-6600

Small Business Administration
620 S. Glenstone, Ste 110
Springfield, Missouri 65802-3200
Phone: (417) 864-7670

Small Business Administration Answer Desk at 1-800-827-5722.

SBA website: www.sbaonline.sba.gov.

RESOURCES

There are numerous organizations, public and private, throughout the state that provide assistance to individuals and new business owners. This following list represents those organizations that have a statewide service area.

MISSOURI BUSINESS ASSISTANCE CENTER



Determining the requirements to start a new business can be confusing and time consuming because many different state agencies regulate various aspects of business operations. New business owners often do not know which agency to contact for assistance and information.

That's why the Missouri General Assembly created the **Missouri Business Assistance Center (MBAC)** within the Missouri Department of Economic Development. MBAC serves as a centralized point of contact for state requirements to do business in Missouri. MBAC staff can help both the seasoned business owner and the first-time entrepreneur begin operations with confidence knowing that all legal requirements have been met. A single contact can provide direct assistance or guide business owners to all the various sources of assistance they need to start, expand or retain a business in Missouri. A customized packet of information and forms will be created based on the information you provide about your type of business and structure.

MBAC also serves as a vital link between small businesses and various public and private assistance programs and services. Referrals can be made for such services as financial analysis, loan packaging and business management counseling. MBAC also maintains a resource library containing business information and helpful pamphlets and brochures published by the U.S. Small Business Administration and other agencies.

The databases, information and assistance from the MBAC is now available via the World Wide Web! Our Web site offers our publication "Starting A New Business In Missouri" along with links to various resources, state and federal agencies, downloadable state forms, an interactive database that provides a complete listing of state licenses, fees, permits and regulations. In addition, e-mail is provided to allow questions to be submitted to our counselors.

World Wide Web: <http://www.missouridevelopment.org/mbac>

CONTACT MBAC FOR:

- A business start-up packet customized to your particular business.
- Information on state-level licenses, fees, permits and regulations affecting your business, copies of many state and federal forms, and assistance in completion of key forms.
- Information on sources of financing.
- Referral to local, state and federal agencies, professional associations and local organizations that provide business education and counseling.
- Help in locating a Missouri supplier or manufacturer of products and services.

Missouri Business Assistance Center
 Department of Economic Development
 301 West High Street, Room 720
 P.O. Box 118
 Jefferson City, Missouri 65102
 Phone: 1-888-751-2863 FAX: 573/526-2416
 e-mail: mbac@mail.state.mo.us
 web: www.missouridevelopment.org/mbac

UNIVERSITY OUTREACH AND EXTENSION



University Outreach and Extension includes all outreach efforts of the University of Missouri campuses in Columbia, Kansas City, Rolla and St. Louis, and the extension activities of Lincoln University. Extension specialists on the campuses and in 114 counties provide education programs to help citizens apply university research knowledge to solve individual and community problems.

Working with business owners and managers on a one-to-one basis, B&I specialists help entrepreneurs identify problem areas and find solutions. Writing a business plan, improving or creating products, developing markets, setting up accounting procedures, finding financing and managing personnel are among the areas with which B&I specialists help clients. B&I services are available to both existing and start-up businesses. Counseling services are completely confidential and provided free or at nominal charge. For more information, visit the UOE website at: www.outreach.missouri.edu.

Program Director,
 Bus. & Ind.
 529 Clark Hall
 University of Missouri
 Columbia, MO 65211
 573/882-4321

Adair County
 503 East
 Northtown Road
 Kirksville, MO 63501
 660/665-9866

Audrain County
 4th Floor, Courthouse
 Mexico, MO 65265
 573/581-3231 ext 302

Boone County
 1012 Hwy. UU
 Columbia, MO 65203
 573/445-9792

Buchanan County
 4125 Mitchell Avenue
 P.O. Box 7077
 St. Joseph, MO 64507
 816/279-1691

Camden County
 113 Kansas St.
 P.O. Box 1405
 Camdenton, MO 65020
 573/346-2644

Cape Girardeau County
 684 W. Jackson Trail
 P.O. Box 408
 Jackson, MO 63755
 573/243-3581

Clay County
 1901 N.E. 48th
 Kansas City, MO 64118
 816/792-7760

Cole County
 2436 Tanner
 Bridge Road
 Jefferson City, MO
 65101
 573/634-2824

Franklin County
 115 Locust
 P.O. Box 71
 Union, MO 63085
 636/583-5141

Greene County
 833 North
 Boonville Ave.
 Springfield, MO 65802
 417/862-9284

Howell County
 217 South Aid Avenue
 West Plains, MO 65775
 417/256-2391

Livingston County
 554 Park Lane
 Chillicothe, MO 64601
 660/646-0811

Pettis County
 1012 A Thompson Blvd.
 Sedalia, MO 65301
 660/827-0591

Phelps County
 Courthouse
 200 North Main
 Rolla, MO 65401
 573/364-3147

St. Charles County
 260 Brown Road
 St. Peters, MO 63376
 636/970-3000

St. Louis County
 121 South Meramec
 Suite 501
 Clayton, MO 63105
 314/889-2911

Schuyler County
 Courthouse
 PO Box 310
 Lancaster, MO 63548
 660/457-3469

Taney County
 Courthouse Annex
 P.O. Box 218
 Forsyth, MO 65653
 417/546-2371

SMALL BUSINESS DEVELOPMENT CENTERS



**MISSOURI
SMALL BUSINESS
DEVELOPMENT CENTERS**

The mission of the Missouri Small Business Development Centers (MO SBDC) system is to improve competitiveness and management quality of Missouri small businesses. MO SBDC will help these businesses identify problems, explore opportunities, and obtain solutions by offering comprehensive, timely assistance to create positive impact. Assistance includes counseling, training information and technology transfer, research, and other services to meet the changing and evolving needs of the Missouri small business community. For more information, visit the SBDC website at: www.mo-sbdc.org.

Southeast MO. State University One University Place MS 5925 Cape Girardeau, MO 63701 573/986-6084	MO Southern State College 3950 Newman Road Joplin, MO 64801-1595 417/625-9313	Northwest MO State Univ. 423 North Market Street Maryville, MO 64468-1614 660/562-1701
University of MO-Columbia 1800 University Place Columbia, MO 65211 573/882-7096	Truman State University 100 East Normal VH 1100 Kirksville, MO 63501 660/785-4307	Mineral Area College 5270 Flat River Road P.O. Box 1000 Park Hills, MO 63601-1000 573/431-4593 ext. 266
Chillicothe Satellite Center 715 Washington Street City Hall Chillicothe, MO 64601-2229 660/646-6920	Rockhurst College 1100 Rockhurst Rd. Kansas City, MO 64110-2508 816/501-4572	St. Charles County EDC 5988 Mid Rivers Mall Drive Suite 108 St. Charles, MO 63304 636/928-7714
	Thomas Hill Enterprise Center 1714 North Prospect Dr. P.O. Box 276 Macon, MO 63552 660/385-6550	

St. Joseph Satellite Center 3003 Frederick Ave St. Joseph, MO 64506-5104 816/232-4461	Southwest MO. State University 901 South National Springfield, MO 65804-0089 417/836-5685	Central MO State University Grinstead, Room #009 Warrensburg, MO 64093-5037 660/543-4402
St. Louis Enterprise Center SBDC 314 Lemay Ferry Road Suite 131 St. Louis, MO 63125 314/631-5237	St. Louis University 3750 Lindell Blvd. St. Louis, MO 63108-2097 314/977-7232	Small Business Development Center SBA – One Stop Capital Shop 704 North Jefferson St. Louis, MO 63110 314/436-2202, ext. 325
Grace Hill SBDC 2324 N. Florissant Ave. St. Louis, MO 63106-3913 314/588-8856		

SERVICE CORPS OF RETIRED EXECUTIVES (SCORE)

SCORE counselors, experienced business professionals, provide confidential one-on-one counseling. Services include business plan preparation, financing, record keeping and problem solving and are provided free of charge

SCORE - Business Information Center 706 North Jefferson St. Louis, MO 63103 314/436-2202	Lake Ozark SCORE P.O. Box 1405 Camdenton, MO 65020 573/346-2644	SCORE 620 South Glenstone Ste. 110 Springfield, MO 65802 417/864-7670, ext. 138
Ozark Gateway SCORE 106 Downey Place Cuba, MO 65453 573/885-4954	SCORE- Columbia Chamber of Commerce 300 South Providence Columbia, MO 65205-1016 573/874-1132	SCORE - Business Information Office 323 West 8th St. Suite 501 Kansas City, MO 64105 816/374-6675
Jefferson City SCORE Chamber of Commerce 213 Adams Street Jefferson City, MO 65101 573-634-3616	St. Joseph SCORE Chamber of Commerce 4524 Alpha Lane Avenue St. Joseph, MO 64506 816/279-5091	National SCORE Office 409 Third St., N.W. Suite 5900 Washington, DC 20024 1-800-827-5722

MINORITY BUSINESS DEVELOPMENT

The Office of Minority Business was established to assist minority business owners obtain managerial, technical and financial assistance as well as to identify opportunities for successful entrepreneurship. The Office is responsible for identifying and developing networks and support systems that help minorities gain a foothold in the mainstream of Missouri's economy through the start-up, retention or expansion of minority-owned firms. For more information, call 573/751-3237 or on the web at: www.missouridevelopment.org/omb.

MINORITY AND WOMEN OWNED BUSINESS PURCHASING PROGRAM

The State of Missouri, through the Office of Administration, provides special services and assistance to enable certified Minority Business Enterprise (MBEs) and Woman-owned Business Enterprises (WBEs) to participate equitably in the State of Missouri's procurement process. Services include:

- Providing one-on-one counseling about State procurement opportunities.
- Presenting workshops and seminars on the procurement process.
- Evaluate your company's existing certifications to determine if they are recognized by the State of Missouri
- Sharing information on your company with state agencies, political subdivisions and private firms attempting to identify and locate MBE/WBE firms.

For more information call 1-800-592-6019 or visit their website at: www.oa.state.mo.us/purch/purch.htm.

COUNTY GOVERNMENT CONTACT INFORMATION

Contact with your local city and/or county clerk to determine the need for a city and/or county business license, zoning regulations and other business regulations for your selected business location. Contact the County Clerk of the appropriate county:

Adair Kirksville, 63501 660/665-3350	Cape Girardeau Jackson, 63735 573/243-3547	Daviess Gallatin, 64640 660/663-2641	Howell West Plains, 65775 417/256-2591
Andrew Savannah, 64485 816/324-3624	Carroll Carrollton, 64633 660/542-0615	DeKalb Maysville, 64469 816/449-5402	Iron Ironton, 63650 573/546-2912
Atchison Rock Port, 64482 660/744-6214	Carter Van Buren, 63965 573/323-4527	Dent Salem, 65560 573/729-4144	Jackson County Assessment Dept. 321 West Lexington Independence, 64050 816/881-4669
Audrain Mexico, 65265 573/473-5820	Cass Harrisonville, 64701 816/380-5100	Douglas Ava, 65608 417/683-4714	Jasper Carthage, 64836 417/358-0416
Barry Cassville 65265 417/847-2561	Cedar Stockton, 65785 417/276-6700	Dunklin Kennett, 63857 573/888-2796	Jefferson Hillsboro, 63050 636/797-5477
Barton Lamar, 64759 417/682-3529	Chariton Keytesville, 65261 660/288-3273	Franklin Union, 63084 636/583-6355	Johnson Warrensburg, 64093 660/747-6161
Bates Butler, 64730 816/679-3371	Christian Ozark, 65721 417/581-6360	Gasconade Hermann, 65041 573/486-5427	Knox Edina, 63537 660/397-2184
Benton Warsaw, 65355 660/438-7326	Clark Kahoka, 63445 660/727-3283	Gentry Albany, 64402 660/726-3525	Laclede Lebanon, 65536 417/532-5471
Bollinger Marble Hill, 63764 660/238-2126	Clay Liberty, 64068 816/792-6578	Greene Springfield, 65801 417/868-4055	Lafayette Lexington, 64067 660/259-4315
Boone Columbia, 65201 573/886-4295	Clinton Plattsburg, 64477 816/539-3713	Grundy Trenton, 64683 660/359-6305	Lawrence Mt. Vernon, 65712 417/466-2638
Buchanan St. Joseph, 64501 816/271-1411	Cole Jefferson City, 65101 573/634-9106	Harrison Bethany, 64424 660/425-6424	Lewis Monticello, 63457 573/767-5205
Butler Poplar Bluff, 63901 573/686-8050	Cooper Boonville, 65233 660/882-2114	Henry Clinton, 64735 660/885-6963	Lincoln Troy, 63379 636/528-4415
Caldwell Kingston, 64650 816/586-2571	Crawford Steelville, 65565 573/775-2376	Hickory Hermitage, 65668 417/745-6450	Linn Linneus, 64653 660/895-5417
Callaway Fulton, 65251 573/642-0730	Dade Greenfield, 65661 417/637-2724	Holt Oregon, 64473 660/446-3303	Livingston Chillicothe, 64601 660/646-2293
Camden Camdenton, 65020 573/346-4440	Dallas Buffalo, 65622 417/345-2632	Howard Fayette, 65248 660/248-2284	

McDonald Pineville, 64856 417/223-4717	Oregon Alton, 65606 417/778-7475	Ray Richmond, 64085 816/776-4502	Shannon Eminence, 65466 573/226-3414
Macon Macon, 63552 660/385-2913	Osage Linn, 65051 573/897-2139	Reynolds Centerville, 63633 573/648-2494, ext. 22	Shelby Shelbyville, 63469 573/633-2181
Madison Fredericktown, 63645 573/783-2176	Ozark Gainesville, 65635 417/679-3516	Ripley Doniphan, 63935 573/996-3215	Stoddard Bloomfield, 63825 573/568-3339
Maries Vienna, 65582 573/422-3388	Pemiscot Caruthersville, 63830 573/333-4203	St. Charles St. Charles, 63301 636/949-7500	Stone Galena, 65656 417/357-6127
Marion Palmyra, 63461 573/769-2549	Perry Perryville, 63775 573/547-4242	St. Clair Osceola, 64776 417/646-2315	Sullivan Milan, 63556 660/265-3786
Mercer Princeton, 63461 660/748-3425	Pettis Sedalia, 65301 660/826-5395	St. Francois Farmington, 63640 573/756-5411	Taney Forsyth, 65653 417/546-7200
Miller Tuscumbia, 65082 573/369-2731	Phelps Rolla, 65401 573/364-1891	St. Louis County Clayton, 63105 Gen. Info: 314/615-5000 License Div. 615-4218	Texas Houston, 65483 417/967-2112
Mississippi Charleston, 63834 573/683-2146	Pike Bowling Green, 63334 573/324-2412	St. Louis City License Collector Tucker Blvd & Market St. 314/622-4089	Vernon Nevada, 64772 417/448-2500
Moniteau California, 65018 573/796-4661	Platte Platte City, 64079 816/858-2232	Ste. Genevieve Ste. Genevieve, 63660 573/883-5589	Warren Warrenton, 63383 636/456-3331
Monroe Paris, 65275 660/327-5106	Polk Bolivar, 65613 417/326-4031	Saline Marshall, 65340 660/886-3331	Washington Potosi, 63664 573/438-4901
Montgomery Montgomery City, 63361 573/564-3357	Pulaski Waynesville, 65583 573/774-4701	Schuyler Lancaster, 63548 660/457-3842	Wayne Greenville, 63944 573/224-3221
Morgan Versailles, 65085 573/378-5436	Putnam Unionville, 63565 660/927-2674	Scotland Memphis, 63555 660/465-7027	Webster Marshfield, 65706 417/468-2223
New Madrid New Madrid, 63869 573/748-2524	Ralls New London, 63459 573/985-7111	Scott Benton, 63736 573/545-3549	Worth Grant City, 64456 660/564-2219
Newton Neosho, 64850 417/451-8221	Randolph Huntsville, 65259 660/277-4717		Wright Hartville, 65667 417/741-6661
Nodaway Maryville, 64468 660/582-2251			